




STATE OF TENNESSEE
DEPARTMENT OF FINANCE AND ADMINISTRATION
DIVISION OF MENTAL RETARDATION SERVICES
SUITE 1500, ANDREW JACKSON BLDG.
NASHVILLE, TENNESSEE 37243-0675

MEMORANDUM

TO: Provider and Independent Support Coordination Agencies

FROM: Stephen H. Norris, Deputy Commissioner 

RE: October 2007 Payment Reduction and Rate Adjustment for Six Months

DATE: December 26, 2007

In order to meet its statutory and budgetary requirements, the Division of Mental Retardation Services made a reduction of 5.7% to the payments of the Home and Community Based Waiver providers for services supplied during the month of October 2007. After consultation with many of the persons and organizations affected, I have decided to reverse the action taken and pay the funds withheld. Accordingly by January 7 you will be receiving the amounts previously withheld for the October period.

However, the above does not reduce the Division's critical need to get its financial situation in balance. A deficiency still exists between demand for HCBS related expenditures and available funding from state and federal sources. **Therefore, this letter will serve as notice to you that all requests for payments under the statewide HCBS Waiver delivered on or after January 1, 2008, will be subject to a reduction sufficient to insure that DMRS stays within its fiscal limitations. You may expect a decrease of 6.1% for each month from January through the end of June 2008.** Services to be excluded from the across-the-board rate reduction are: environmental and vehicle accessibility modifications, individual transportation services, specialized medical equipment supplies and assistive technology, personal emergency response systems monitoring and adult dental services. The 6.1% decrease may be lowered if costs are reduced in relation to available funding, but this will be dependant on the community's willingness to help us effectively deal with this circumstance.

Should you have any questions regarding the cost reduction please contact:

Fred Hix, Assistant Commissioner for Administration
Telephone: 615-253-6710